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Proposed Counsel for
THE OFFICIAL COMMITTEE
OF UNSECURED CREDITORS

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
LOS ANGELES DIVISION

In re

SHEIKH SHOES LLC,
a California limited liability company,

Debtor.

Chapter 11

Case No. 2:17-bk-24626-VZ

**STATEMENT OF THE OFFICIAL COMMITTEE OF
UNSECURED CREDITORS IN RESPONSE TO
DEBTOR'S EMERGENCY MOTION FOR
INTERIM AND FINAL ORDERS AUTHORIZING
DEBTOR TO: (1) PAY PREPETITION CLAIM OF
NIKE USA, INC., AS CRITICAL VENDOR; (2)
INCUR POSTPETITION INDEBTEDNESS ON
SUPERPRIORITY BASIS; AND (3) ENTER AND
PERFORM UNDER AGREEMENT WITH NIKE
USA, INC. [D.I. 12]**

Hearing Date: January 9, 2018
Time: 1:00 p.m. PT
Place: Courtroom 1368, Roybal Federal Building
255 E. Temple Street, Los Angeles, CA 90012

The Official Committee of Unsecured Creditors (the "Committee") of Shiekh Shoes LLC,

1 the debtor and debtor-in-possession (the “Debtor”), by and through its proposed counsel, hereby
2 submits this statement (the “Statement”) in connection to the *Debtor’s Emergency Motion For*
3 *Interim and Final Orders Authorizing Debtor to (1) Pay Prepetition Claim of Nike USA, Inc., As*
4 *Critical Vendor; (2) Incur Postpetition Indebtedness On A Superpriority Basis; And (b) Enter And*
5 *Perform Under Agreement With Nike USA, Inc.* (the “Motion”) [D.I. 12] and, the Committee
6 respectfully represents as follows:

7 **BACKGROUND**

8 On November 29, 2017 (the “Petition Date”), the Debtor filed a voluntary petition for relief
9 under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the United States
10 Bankruptcy Court for the Central District of California, Los Angeles Division. Pursuant to sections
11 1107 and 1108 of the Bankruptcy Code, the Debtor continues to operate its business and property
12 as a debtor-in-possession. United States Trustee Peter C. Anderson, Assistant United States Trustee
13 Jill M. Sturtevant and Trial Attorney Kelly L. Morrison (collectively, the “U.S. Trustee”) have been
14 appointed in this case. No trustee or examiner has been appointed in this case by the U.S. Trustee.

15 On December 11, 2017, the Committee was appointed in this case by the U.S. Trustee,
16 consisting of the following nine members: (i) New World Creation, Inc.; (ii) Hinkle Construction;
17 (iii) Adidas America Inc.; (iv) VF Outdoor, LLC; (v) Sports Land Inc.; (vi) Nike USA Inc.; (vii)
18 GGP Limited Partnership; (viii) Simon Property Group; and (ix) Macerich. On December 11, 2017,
19 the Committee selected Cooley as its proposed counsel and Province, Inc. as its proposed financial
20 advisor.

21 **STATEMENT**

22 The Debtor, the Committee, and Nike USA, Inc. (collectively, the “Parties”) have diligently
23 engaged in negotiations regarding the relief requested in the Motion and have reached an agreement
24 subject to documentation. Amongst other things, the settlement would defer a decision on the
25 Debtor’s request to grant superpriority claims in favor of Nike USA, Inc. The Parties are presently
26 working on a stipulation to effectuate this agreement.

27 As reflected in the stipulation filed with this Court on December 22, 2017 (the
28 “Stipulation”) [D.I. 230], the Parties seek to extend the deadline for the Committee to file any

1 opposition or response to the Motion to December 29, 2017, at 12:00 p.m. However, as this Court
2 has not yet approved the Stipulation or the relief sought therein, and the Committee's objection
3 deadline has not been adjourned, the Committee is compelled to lodge this statement to
4 reserve its right to further respond to the Motion.

5 Dated: December 26, 2017

Respectfully Submitted,

6
7 COOLEY LLP

8 By: /s/ Ali Mojdehi
Ali Mojdehi

9 Proposed Counsel for
10 OFFICIAL COMMITTEE OF
UNSECURED CREDITORS
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PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:

Cooley LLP, 101 California St., 5th Floor, San Francisco, CA 94111

A true and correct copy of the foregoing document entitled (*specify*): Statement of the Official Committee of Unsecured Creditors to the Debtor's Emergency Motion for Interim and Final Orders Authorizing Debtor to: (1) Pay Prepetition Claim of Nike USA, Inc., as Critical Vendor; (2) Incur Postpetition Indebtedness On Superpriority Basis; And (3) Enter And Perform Under Agreement With Nike USA, Inc. [D.I. 12]

will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) 12/26/2017, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

See attached service list.

☒ Service information continued on attached page

2. SERVED BY UNITED STATES MAIL:

On (*date*) _____, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (*state method for each person or entity served*): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) 12/26/2017, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

Served via overnight delivery:

The Honorable Vincent P. Zurzolo U.S. Bankruptcy Court Roybal Federal Building 255 E. Temple Street, Suite 1360 Los Angeles, CA 90012	United States Trustee 915 Wilshire Blvd. Suite 1850 Los Angeles, CA 90017
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☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

Dec. 26, 2017
Date

Mollie Canby
Printed Name


Signature

SERVICE LIST VIA NEF

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This form is mandatory. It has been approved for use by the United States Bankruptcy Court for the Central District of California.